

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 6/3/2014	(3) CONTACT/PHONE Suzan Ehdaie, Planner II/805-781-4974	
(4) SUBJECT Hearing to review allocations of General Fund Support for homeless services programs and to consider a resolution approving 1) the final funding levels under the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) programs for the 2014 Action Plan; 2) the reallocation of HOME funds under the 2009 and 2012 Action Plans; and 3) authorize and approve the submittal of the Urban County 2014 Action Plans. All Districts.			
(5) RECOMMENDED ACTION  It is recommended that the Board review the allocations of 2014 General Fund Support for Homeless Services programs as shown in Table 4 and adopt the attached resolution: <ol style="list-style-type: none"> <li>1. Approve the final 2014 funding levels under CDBG, HOME and ESG programs as shown in Attachment 2- Exhibit "A"; and</li> <li>2. Approve the amendments to the 2009 and 2012 Action Plans reallocating HOME funds for the County of San Luis Obispo as shown in Table 7; and</li> <li>3. Approve and authorize submittal of the Urban County of San Luis Obispo Program Year 2014 Action Plans to the U.S. Department of Housing and Urban Development.</li> </ol>			
(6) FUNDING SOURCE(S) CDBG, HOME, ESG	(7) CURRENT YEAR FINANCIAL IMPACT \$2,669,332.00	(8) ANNUAL FINANCIAL IMPACT \$2,669,332.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>15 min</u> ) <input type="checkbox"/> Board Business (Time Est. <u>    </u> )			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>2/25/2014 (item 23)</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Suzan Ehdaie, Planner II

DATE: 6/3/2014

SUBJECT: Hearing to review allocations of General Fund Support for homeless services programs and to consider a resolution approving 1) the final funding levels under the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) programs for the 2014 Action Plan; 2) the reallocation of HOME funds under the 2009 and 2012 Action Plans; and 3) authorize and approve the submittal of the Urban County 2014 Action Plan. All Districts.

## **RECOMMENDATION**

It is recommended that the Board review the allocations of 2014 General Fund Support for Homeless Services programs as shown in Table 4 and adopt the attached resolution:

1. Approve the final 2014 funding levels under CDBG, HOME and ESG programs as shown in Attachment 2- Exhibit "A"; and
2. Approve the amendments to the 2009 and 2012 Action Plans reallocating HOME funds for the County of San Luis Obispo as shown in Table 7; and
3. Approve and authorize submittal of the Urban County of San Luis Obispo Program Year 2014 Action Plan to the U.S. Department of Housing and Urban Development.

## **DISCUSSION**

This staff report covers the following three main sections: 1) the U.S. Department of Housing and Urban Development (HUD) Final 2014 Allocations of the CDBG, HOME, and ESG Programs; 2) Homeless Services Allocations; and 3) the reallocation of HOME funds in the 2009 and 2012 Action Plans. Each section will explain in detail the impacted projects as well as the changes in the funding sources and funding levels.

### 1. The Final 2014 Action Plan

On February 25, 2014, the Board approved the 2014 Action Plan based on funding estimates for the CDBG, HOME, and ESG programs. Subsequent to the February hearing, HUD notified the County of the final 2014 program allocations. One of the purposes of today's hearing is to review the adjusted funding levels for the CDBG, HOME, and ESG programs and finalize the 2014 Action Plan. Table 1 displays the difference between the Board approved 2014 funding allocations and the HUD final 2014 allocations for each HUD grant program. For complete information on the final allocations of 2014 CDBG, HOME, and ESG refer to Attachment 2 for "Exhibit A".

**Table 1 - Final 2014 Program Year Allocations**

HUD Grant Programs	BOS Approved 2014 Allocations	HUD Final 2014 Allocations	Difference
CDBG	\$1,501,084	\$1,627,673	\$126,589
HOME	\$650,549	\$726,163	\$75,614
ESG	\$108,615	\$135,496	\$26,881
<b>TOTAL</b>	<b>\$2,260,248</b>	<b>\$2,489,332</b>	<b>\$229,084</b>

With regards to the CDBG program, the funding level rose by \$124,125. The new funding level for the CDBG program resulted in increases in the cities' CDBG share within the Urban County. Most cities administratively amended their CDBG awards by adding the extra funding amounts to public facility, housing, and public services.

The City of San Luis Obispo received a major increase of \$38,446 to their funding allocations after the approval of the 2014 Action Plan in February 2014. The allocations are as follows: 1) \$5,767 for the operation of the Community Action Partnership of San Luis Obispo County (CAPSLO) Maxine Lewis Homeless Shelter, 2) \$24,990 for the ADA street improvement, 3) \$4,613 for implementation of Housing Element Programs, and 4) \$3,076 for CDBG administration.

Since the County's CDBG share increased by \$53,333, staff recommends the approval of additional funds for administration (\$10,665). Staff also recommends allocating the additional CDBG funds to CAPSLO for the operation of the Maxine Lewis Memorial Shelter and the Prado Day Center programs to support homelessness services (\$7,998) and allocating \$34,670 to the Minor Home Repair Program by CAPSLO. See the section on "Homeless Services Allocations" for more detailed information.

Table 2 below displays the 2014 approved allocations and the HUD final 2014 allocations for each jurisdiction.

**Table 2 - Jurisdictional Share of the 2014 CDBG Funds**

<b>Jurisdiction</b>	<b>BOS Approved 2014 Allocations</b>	<b>HUD Final 2014 Allocations</b>	<b>Difference</b>
City of Arroyo Grande	\$57,715	\$62,583	\$4,868
City of Atascadero	\$121,388	\$131,624	\$10,236
City of Morro Bay	\$52,205	\$56,608	\$4,403
City of Paso Robles	\$152,240	\$165,079	\$12,839
City of San Luis Obispo	\$460,000	\$498,446	\$38,446
County of San Luis Obispo	\$660,000	\$713,333	\$53,333
<b>TOTAL</b>	<b>\$1,501,548</b>	<b>\$1,627,673</b>	<b>\$124,125</b>

Although staff projected a ten percent decrease in the funding levels for each HUD grant program from the previous year, the final funding level for the CDBG program decreased by 2% from 2013. There was almost no change in the HOME funding level from the previous year. At the February 25, 2014 Board Hearing, the Board approved \$585,494 in HOME funds for the Cambria Pines Project by Peoples' Self Help Housing Corporation (PSHHC). Staff is recommending reallocating the \$585,494 in HOME funds to the Rolling Hills Phase II project also by PSHHC. The reason for this reallocation is that the Cambria Pines project now appears unlikely to be ready for the use of HOME funds in time to meet federal timeliness requirements of the HOME program, since it does not yet have its final land use approval. Also, the Rolling Hills Phase II project is further along in the County's permitting process and will be better able to meet HOME deadlines.

There are additional HOME funds for administration (\$7,560) that will be allocated to the administration of the Tenant-Based Rental Assistance (TBRA) program (\$5,937) and general administration of the HOME program (\$1,623). The funding level for the ESG program rose by 12 percent. The updated ESG allocations are discussed under "Homeless Services Allocations". See Table 3 for the change in funding levels from 2013 to 2014.

**Table 3 – The 2013 and 2014 Program Year Allocations**

HUD Grant Programs	HUD Final 2013 Allocations	HUD Final 2014 Allocations	Difference (%)
CDBG	\$1,667,872	\$1,627,673	-2%
HOME	\$722,832	\$726,163	0%
ESG	\$120,683	\$135,496	12%
<b>TOTAL</b>	<b>\$2,511,387</b>	<b>\$2,489,332</b>	<b>-1%</b>

Homeless Services Allocations

The County provides ESG, CDBG, and \$180,000 in General Fund Support (GFS) (\$180,000) to homeless services providers that operate emergency shelter programs. In addition to the \$180,000 in GFS being allocated to specific programs (see Table 4 below), the County's proposed budget includes an additional \$22,500 in GFS for Safe Parking, Warming Stations Programs, and other homeless related programs. Overall increase in the 2014 CDBG and ESG funding levels will offset the decrease in GFS funds recommended for the Prado Day Center, Maxine Lewis Shelter, and ECHO shelter services. The Homeless Services Oversight Council (HSOC) met on May 21, 2014, and made the funding recommendations shown in Tables 4-6. These recommendations ensure that all the emergency shelter programs receive the same cut (2 percent when considering multiple funding sources) from the 2013-2014 program year now that the County is receiving more ESG and CDBG funds than anticipated. Table 4 shows the funding recommendation for General Fund Support. See Attachment 3 for the HSOC Agenda Item report.

**Table 4 - The 2014 County General Fund Support Allocations**

Homeless Services Programs	2014 ALLOCATION
Prado Day Center by CAPSLO	\$23,886
Maxine Lewis Shelter by CAPSLO	\$50,694
ECHO Shelter Services	\$25,475
Women's Shelter SLO Emergency Shelter and Prevention/Re-Housing	\$30,449
RISE	\$38,221
Transitional Food and Shelter	\$11,275
<b>TOTAL</b>	<b>\$180,000</b>

The HSOC also recommends that 1) the additional County CDBG public services funds in the amount of \$7,998 be allocated to CAPSLO for the Prado Day Center. and 2) \$1,102 of the CDBG funds be reallocated from the Maxine Lewis Shelter to the Prado Day Center. Approving these recommendations ensures that both emergency shelter programs receive the same cut from the previous program year when considering multiple funding sources (2 percent). The final allocation of the County CDBG funds under public services is shown in Table 5. It is important to note that the allocations approved at the February 2014 hearing for both the Maxine Lewis Memorial Shelter and the Prado Day Center were inadvertently incorrect. Based on the Homeless Services Oversight Council's funding recommendation made in November 2013, the Maxine Lewis Memorial Shelter should have been allocated \$69,300 and the Prado Day Center should have been allocated \$29,700 of the estimated \$99,000 available for public services.

**Table 5 – The 2014 County CDBG Funds for the Homeless Services**

<b>Program</b>	<b>County CDBG Funding Approved in February 2014</b>	<b>Revised County CDBG Funding Amount Recommended for 2014</b>
Maxine Lewis Memorial Shelter	\$76,000 (should have been \$69,300)	\$74,898
Prado Day Center	\$23,000 (should have been \$29,700)	\$32,100
<b>TOTAL</b>	<b>\$99,000</b>	<b>\$106,998</b>

With regards to the final ESG funding (\$135,496), the HSOC recommends the following final allocations for Homeless Services for the 2014 program year.

**Table 6 – The 2014 County ESG Funds for the Homeless Services**

<b>Emergency Shelter</b>	
Maxine Lewis Memorial Shelter	\$44,307
Prado Homeless Day Center	\$31,977
<b>Homeless Prevention</b>	
Central Coast LINK – Rental Assistance	\$6,233
Central Coast LINK – Housing Relocation and Stabilization Services	\$6,233
<b>Rapid Re-Housing</b>	
Central Coast LINK – Rental Assistance	\$11,904
Central Coast LINK – Housing Relocation and Stabilization Services	\$22,106
<b>Data Collection- HMIS</b>	
Central Coast LINK	\$2,574
<b>Administration</b>	
Agency Administration	\$5,081
SLO County Administration	\$5,081
<b>Total</b>	<b>\$135,496</b>

### 3. Reallocations of HOME funds and allocation of program income

There are remaining balances of HOME funds that are recommended to be reallocated to other projects in order to comply with the timeliness requirement. Staff recommends reallocating \$75,001 in 2009 HOME funds from the Rolling Hills Phase I project to the TBRA program by the Housing Authority of the City of San Luis Obispo. The Rolling Hills Phase I was completed with a remaining balance of \$75,001 in HOME funds. The TBRA program needs the additional funds to provide rental assistance to low income families. Moreover, this program can quickly spend the 2009 HOME funds and fulfill the HOME timeliness requirement for expenditure by 2014. There are remaining 2012 HOME funds under the County's First Time Homebuyer program that staff recommends to be reallocated to the Rolling Hills Phase II projects by People's Self Help Housing Corporation (PSHHC). These funds must be expended within three years to meet the timeliness requirement and can be used for a new project.

In an effort to continue the financial support with the Rolling Hills Phase II project, staff also recommends additional funding. This can be done through the allocation of the HOME program income (\$149,413.44) to the Rolling Hills Phase II

project. This project includes the construction of 29 affordable rental units which targets very low and extremely low income households.

**Table 7 - The Proposed HOME Funds for the TBRA program and the Rolling Hills Phase II project**

#	Project	County of San Luis Obispo
<b>Amendment to the 2009 Action Plan</b>		
1	Add funds to existing project: "Tenant Based Rental Assistance Housing Program – Housing Authority of the City of San Luis Obispo " - Reallocate \$75,001 from the "Rolling Hills Phase I" by PSHHC	\$75,001
<b>Amendment to the 2012 Action Plan</b>		
3	New project: "Rolling Hills Phase II" by PSHHC- Reallocate \$51,107 from the First Time Home Buyers Program" by the County of San Luis Obispo	\$51,107
<b>Total</b>		<b>\$130,801.50</b>

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

County staff consulted with the participating cities, the HSOC, the County Public Works Department, and non-profit agencies to identify needs and potential projects. County Counsel reviewed and approved the attached resolution as to form and legal effect.

#### **FINANCIAL CONSIDERATIONS**

The CDBG, HOME and ESG programs provide funding to cover most of the staff costs for administering the programs.

#### **RESULTS**

The purpose of this hearing is to finalize the CDBG, HOME, and ESG allocations for the 2014 Action Plan, and to reallocate HOME funds to the Tenant-Based Rental Assistance (TBRA) program and the Rolling Hills Phase II project. The HUD grant programs will directly benefit County residents by providing funding for affordable housing, public services, and homeless services projects.

#### **ATTACHMENTS**

1. Attachment 1 - Resolution
2. Attachment 2 - Exhibit A
3. Attachment 3 - HSOC Agenda Item